GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2165
ANSWERED ON:29.08.2007
EQUITABLE DISTRIBUTION OF BENEFITS OF GROWTH
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Will the Minister of PLANNING be pleased to state:

(a) whether the Union Government has achieved nine percent growth;

(b) if so, the details thereof;

(c) whether the benefits of growth is distributed equitably amongst the people in the country; and

(d) if not, the steps taken by the Government for its equitable distribution?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): As per the latest estimates of the Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, the country's economic growth measured by the Gross Domestic Product (GDP) at factor cost at constant (1999-2000) prices is estimated as 9.4% in the year 2006-07.

(b): Corresponding to the aggregate growth rate of 9.4%, the growth rates of GDP in agriculture, industry and services sectors are estimated as 2.7%, 10.9% and 11.0% respectively in the year 2006-07.

(c) & (d): The distribution of the benefits of growth amongst the people is measured from the data on income distribution. The data on income distribution in the country is not collected by official agencies. Therefore, estimates are not available regarding the class distribution of income. However, the disparities in the class distribution of consumption, measured by the Lorenz ratio from the National Sample Survey data on consumer expenditure of the 61st Round (Report No. 508 titled Level and Pattern of Consumer Expenditure) show that the inequality (Lorenz Ratio) is 0.297 in the rural areas and 0.373 in the urban areas in 2004-05. Since the value of Lorenz Ratio range between zero and unity and also since higher value of Lorenz Ratio is indicative of greater inequality, the above values of inequality demonstrates that the consumption distribution is not so unequal.

According to the Approach Paper to the Eleventh Five Year Plan, the Eleventh Plan provides an opportunity for restructuring policies to achieve a new vision based on faster, more broad-based and inclusive growth. The Approach Paper to the Eleventh Five Year Plan, as approved by the National Development Council, has set the growth target for the Eleventh Five Year Plan period at 9% per year and aims at putting the economy on a sustainable growth trajectory with a growth rate of approximately 10% by the end of its period. The Approach Paper targets faster growth in all productive sectors, agriculture, industry and services, with suitable interventions in policy. It seeks to achieve inclusiveness through significant improvements in literacy/education and health, greater employment opportunities and more focus on various socio-economic groups. The objectives of faster and more inclusive growth are encapsulated in a set of precise targets in the areas of
(i) Income & Poverty
(ii) Education
(iii) Health
(iv) Women and Children issues,
(v) Infrastructure, and
(vi) Environment.